

**COUNTY OF DORCHESTER GENERAL SESSIONS COURT
ST. GEORGE, SOUTH CAROLINA**

**State Auditor's Report on Applying
Agreed-Upon Procedures
March 31, 2007**

State of South Carolina



Office of the State Auditor

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October 10, 2007

The Honorable Mark Sanford, Governor
State of South Carolina
Columbia, South Carolina

The Honorable Cheryl Graham, Clerk of Court
Dorchester County
St. George, South Carolina

This report resulting from the application of certain agreed-upon procedures to certain accounting records of the County of Dorchester General Sessions Court System for the period April 1, 2006 through March 31, 2007, was issued by Cline Brandt Kochenower & Co., P.A., Certified Public Accountants, under contract with the South Carolina Office of the State Auditor.

If you have any questions regarding this report, please let us know.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Richard H. Gilbert, Jr.", written in a cursive style.

Richard H. Gilbert, Jr., CPA
Deputy State Auditor

RHGjr/trb

**COUNTY OF DORCHESTER GENERAL SESSIONS COURT
ST. GEORGE, SOUTH CAROLINA**

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We have performed the procedures described below which were agreed to by the South Carolina Office of the State Auditor solely to assist these users in evaluating the performance of the County of Dorchester General Sessions Court System and to assist the South Carolina Office of the State Auditor in complying with the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. Cheryl Graham, Clerk of Court for the County of Dorchester, is responsible for compliance with the requirements for the General Sessions Court reporting and the South Carolina Office of the State Auditor is responsible for compliance with the requirements of the 2006 - 2007 General Appropriations Act (H. 4810) Section 72.80. This engagement to apply agreed-upon procedures was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. TIMELY REPORTING BY THE CLERK OF COURT

- We researched South Carolina Code of Laws Section 14-17-750 to determine the definition of timely reporting with respect to the Clerk of Court's responsibility for reporting fines, fees and assessments to the County Treasurer.
- We inquired of the South Carolina Judicial Department to determine their requirements for both the manner in which partial pay fines and fees are to be allocated and the timing of the report and remittance submissions by the Clerk and the Treasurer.
- We inquired of the Clerk of Court and County Treasurer to gain an understanding of their policy for ensuring timely reporting and to determine how the treasurer specifically documents timeliness.
- We inspected documentation, including the Clerk of Court Remittance Forms or equivalents for the months of April 1, 2006 through March 31, 2007 to determine if the Clerk of Court submitted the reports to the County Treasurer in accordance with the law.

Our findings are reported under "TIMELY REPORTING BY THE CLERK OF COURT" in the Accountants' Comments section of this report.

2. TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY

- We traced each month's reporting by the Clerk of Court to the County Treasurer's Office and to the County's general ledger accounts for the assessments (Sections 14-1-206(A), (B) and (D)) and victim's assistance surcharge (Section 14-1-211) for the period April 1, 2006 to March 31, 2007.
- We compared the amounts reported on the Clerk of Court Remittance Forms or equivalents to the Clerk of Court's software system-generated report summaries for three judgmentally determined test months. We tested the system-generated reports for compliance with various laws including Section 35.11 of the General Appropriations Act for the fiscal year 2006 – 2007 and with South Carolina Judicial Department training instructions and interpretations.
- We judgmentally selected and compared individual fine and assessment amounts recorded in the Clerk of Court's software system-generated detail reports to the Judicial Department guidelines' range for the offense code to see if the fine and assessment were within the minimum and maximum range.

Our findings are reported under "TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY" in the Accountants' Comments section of this report.

3. PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING

- We inquired as to the format determined by County council and local policy for record keeping as it relates to fines and assessments in accordance with Section 14-1-206(E)(4).
- We compared the fiscal year-ended June 30, 2006 audited Victim Assistance Fund fund balance with all adjustments to the fund balance shown in the Schedule of Fines, Assessments and Surcharges on page 57 of the audited financial statement and to the beginning fund balance as adjusted in that fund for fiscal year 2007.
- We judgmentally selected a sample of Victim's Assistance Fund reimbursable expenditures and verified that these expenditures were in compliance with Section 14-1-206(E) and Section 14-1-211(B).

We found no exceptions as a result of the procedures.

4. TIMELY ACCURATE REPORTING TO THE STATE TREASURER

- We vouched the amounts reported in the South Carolina State Treasurer's Revenue Remittance Forms to Clerk of Court Remittance Forms or equivalents for the period April 1, 2006 to March 31, 2007.
- We scanned the South Carolina State Treasurer's Revenue Remittance Forms for timely filing in accordance with Section 14-1-206(B).
- We traced amounts recorded in the County's financial statement Schedule of Fines, Assessments and Surcharges on page 57 of the year ended June 30, 2006 report related to fines and assessments revenues reporting in accordance with Section 14-1-206(E) to supporting schedules used in the audit to comply with Section 14-1-206(E).
- We traced and agreed amounts in the supporting schedules to the Clerk of Court Remittance Forms or South Carolina State Treasurer's Revenue Remittance Forms.

Our findings are reported under "TIMELY ACCURATE REPORTING TO THE STATE TREASURER" in the Accountants' Comments section of this report.

We were not engaged to, and did not conduct an audit the objective of which would be the expression of an opinion on compliance with the collection and distribution of court generated revenue at any level of court for the twelve months ended March 31, 2007 and, furthermore, we were not engaged to express an opinion on the effectiveness of the internal controls over compliance with the laws, rules and regulations described in paragraph one and the procedures of this report. Had we performed additional procedures other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Governor, Chairmen of the House Ways and Means Committee, Senate Finance Committee, House Judiciary Committee, Senate Judiciary Committee, members of the Dorchester County Council, County Clerk of Court, County Treasurer, State Treasurer, State Office of Victim Assistance, Chief Justice and the Office of the State Auditor and is not intended to be and should not be used by anyone other than these specified parties.



May 24, 2007

ACCOUNTANTS' COMMENTS

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SECTION A - VIOLATIONS OF STATE LAWS, RULES OR REGULATIONS

Management of the entity is responsible for establishing and maintaining internal controls to ensure compliance with State Laws, Rules or Regulations. The procedures agreed to by the entity require that we plan and perform the engagement to determine whether any violations of State Laws, Rules or Regulations occurred.

The conditions described in this section have been identified as violations of State Laws, Rules or Regulations.

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TIMELY REPORTING BY THE CLERK OF COURT

TIMELY FILING

CONDITION: The Clerk of Court submitted ten of twelve monthly remittance forms late to the County Treasurer during the procedures period.

CRITERIA: South Carolina Code of Laws Section 14-17-750 states "Every clerk of the court is required, on the first Wednesday in each month or within ten days thereafter, to make in writing to the auditor and treasurer of his county a full and accurate statement of all moneys collected"

CAUSE: A substantial workload creates problems with getting the remittance forms in on time.

EFFECT: The Clerk of Court did not submit reports timely as defined by Section 14-17-750.

AUDITORS' RECOMMENDATION: We recommend the Clerk of Court implement procedures to ensure timely submission.

TIMELY TRANSMITTAL OF MONEY COLLECTED

CONDITION: The Clerk of Court does not remit monthly collections to the County Treasurer timely. In some cases collections from one month are not remitted until two months later.

CRITERIA: South Carolina Code of Laws Section 14-17-720 states "All fines and penalties imposed and collected by the circuit court of general sessions in criminal causes shall be forthwith turned over by the clerk of such court to the county treasurer...."

CAUSE: Court session workloads at various times of the month cause delays in the processing of the Clerk of Court transmittals. For some months transmittals are done piecemeal and money is remitted piecemeal as well.

EFFECT: During the procedures period it took two months for one month's collections to be transmitted to the County Treasurer.

AUDITORS' RECOMMENDATION: The Clerk of Court should design and implement procedures to ensure that money is timely remitted timely in accordance with the law.

TIMELY ACCURATE RECORDING AND REPORTING BY THE COUNTY

IMPROPERLY ALLOCATING INSTALLMENT PAYMENTS

CONDITION: The Clerk of Court's computer system is not allocating fines paid on an installment basis ratably to all fine, assessment and surcharge categories as required.

CRITERIA: The Judicial Department memo dated June 20, 2006 Section A.10 states "When the fine and assessment are paid in installments, Section 35.11 of the Temporary Provisions of the General Appropriations Act suspends Section 14-1-209(B) for the fiscal year 2005 - 2006 and requires that 51.80722% of each installment be treated as a payment towards the assessment. The remaining 48.192771% is treated as a payment towards the fine. The fine amount must be further divided, with 56% of the amount being retained by the county, and 44% being remitted to the state. The assessment amount must further be divided, with 64.65% being transmitted to the state, and 35.35% being retained by the county for victims' services. Prior to making these computations, you must determine what other assessments may apply (conviction surcharge, DUI assessments, etc.). Those charges must be collected separately and not included in the percentage splits explained above."

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CAUSE: The clerk's computer system is not programmed to properly allocate payments.

EFFECT: The County's installment payment allocations are not in compliance with the Judicial Department's guidance in the memo related to Section 35.11 of the Temporary Provisions of the General Appropriations Act for the fiscal year 2006-2007.

AUDITORS' RECOMMENDATION: We recommend the Clerk of Court meet with the software developer to program the software to allocate installment payments as required by law.

PROPER VICTIM'S ASSISTANCE FUNDS ACCOUNTING

LACK OF EXPENDITURE ALLOCATION PLAN

CONDITION: The County Sheriff's Office charges 100% of the cost of an office building to the Victim Assistance fund. During the procedures period, the building served as an office for other departments within the Sheriff's Office besides the Victim Assistance staff.

CRITERIA: South Carolina Code of Laws Article 15 of Title 16 defines the type of expenditures authorized for Victim Assistance funds. A prorated share of rent based on a proper allocation would be an authorized expenditure for Victim Assistance monies.

CAUSE: The Sheriff Office did not allocate the cost of rent to Victim Assistance based on usage, square footage or other rational allocation plan.

EFFECT: Victim Assistance funds were used to subsidize other County Departments because rent charges were not equitably allocated based on use or square footage.

AUDITORS' RECOMMENDATION:

We recommend the County reimburse the Victim Assistance Fund for the improperly allocated rent. The County should also revise the allocation of the office space based on current usage prospectively.

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SECTION B – OTHER WEAKNESSES

The conditions described in this section have been identified while performing the agreed-upon procedures but are not considered violations of State Laws, Rules or Regulations.

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TIMELY ACCURATE REPORTING TO THE STATE TREASURER

INCORRECT REPORTING BETWEEN LINE ITEMS ON THE STATE FORM

CONDITION: The County incorrectly reported the State's share of the fine amounts on Line H – Circuit/Family Filing Fees rather than Line G – Circuit/Family Fines, Fees and Other Revenue for one month during the procedures period.

CRITERIA: "Instructions for Filling in State Treasurer's Court Revenue Remittance Form" give specific instruction regarding placement of each fine, assessment and surcharge.

CAUSE: A lack of diligence during heavy workloads.

EFFECT: The percentages the County shares with the State are different for those line items.

AUDITORS' RECOMMENDATION: Care should be taken in placing amounts in the proper line items for each fine, assessment and surcharge when completing the State Treasurer's Office Revenue Remittance form. The County should implement procedures requiring an independent review of the form to ensure clerical accuracy.

INCOMPLETE COUNTY TRANSMITTAL FORM

CONDITION: The County's Transmittal Form used to transmit Clerk of Court collections to the County Treasurer's Office does not include a line for DUI Pull-out, the \$40 impound fee or the Felony DUI SLED Pull-out.

CRITERIA: "Instructions for Filling in State Treasurer's Court Revenue Remittance Form" give specific instruction regarding placement of each fine, assessment and surcharge.

CAUSE: The County has not updated their form to include all the possible categories of fines, assessments and surcharges.

EFFECT: The Clerk of Court must write in amounts for those items

AUDITORS' RECOMMENDATION: The County should modify its County Transmittal Form to include all fine, assessment and surcharge categories.

DORCHESTER COUNTY CLERK OF COURT

Cheryl Graham, Clerk of Court

101 Ridge Street

St. George, SC 29477



September 25, 2007

Cline Brandt Kochenower and Company, PA

In reference to the recent state auditor's report, our responses are as follows:

Timely Reporting by the Clerk of Court

Timely filing and Timely Transmittal of Money Collected

We are aware of the time issues and are implementing a procedure to make sure reports are submitted in a timely matter in the future. I have asked for a financial position in the budget process to assist the Clerk of Court's office with our accounting matters. As of this date the County has not granted this position. My office, as well as many others, is understaffed and my employees have to multitask.

Timely Accurate Recording and Reporting by the County

Improperly Allocating Installment Payments

The county's software managed by Dorchester County IT Department does properly allocate payments in accordance with Section 35.11 of the Temporary Provisions of the General Appropriations Act.

Please Note: The Judicial Department began working in Dorchester County on September 17, 2007 to implement a new case management system including an accounting package. Once this is in operation all reporting will be performed by this system which is under the direction of the Judicial Department.

Sincerely,

Cheryl Graham

St. George: 563-0251 or 832-0251 (outside St. George area)

Fax: 563-0178 or 832-0178